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Waste Disposal
in the Netherlands
The Lebanese Market

December 2, 1974

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In this issue:

- 2 Dutch Livestock Farmers Face Environmental Challenge
By Cline J. Warren
- 4 New Plants Up India's Fertilizer Output
- 5 Taiwan Hog Raising—Boom Industry With a Few Problems
By Sheldon K. Tsu
- 8 Textile Slump Hits Buyers of U.S. Cotton in Far East
By Dudley G. Williams
- 10 Higher Retail Food Prices
- 11 Trinidad's New Processing Plant is Target for U.S. Pork Exports
- 12 Lebanon Is Fast-rising Market for U.S. Agricultural Exports
By Michael E. Kurtzig
- 14 Independence May Change Trade Patterns in Angola and Mozambique
By Herbert H. Steiner
- 17 Crops and Markets

This week's cover:

Canals in the Netherlands facilitate the distribution of manure, which moves from barge by conveyor belt. Dutch livestock producers and processors face growing ecological challenge in disposing of animal waste, according to article beginning on page 2.

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Dutch Livestock Farmers Face Environmental Challenge

By CLINE J. WARREN

*Former Assistant U.S. Agricultural Attaché
The Hague*

MAINTEINING A thriving livestock economy in close concert with one of the world's highest population densities poses a serious environmental challenge to the Netherlands. Recently, the Dutch have stepped up their efforts to combat pollution—and some of the techniques have wide applications on farms in other countries, which increasingly face similar problems.

Worldwide, environmental concerns are expected to have a growing impact on output of farm products, as well as other resources. In the United States, for example, many livestock producers and food processors face added investment as a result of new amendments to the 1972 Federal Water Pollution Act. More and more, the cost of resolving environmental problems will affect both producer and consumer.

The Dutch traditionally have had a high commitment to ecology. Now, because of uptrending livestock numbers, population growth, and industrial expansion, the commitment is being intensified. Among present efforts is the use of manure banks partly paid for by the Government. National guidelines to control pollution have been established, to be carried out at the local level. Proposals for faster decisions and uniform environmental standards are being considered.

The Netherlands is a small country with an area of 14,140 square miles—about the size of Maryland and Delaware. The magnitude of the solid waste disposal problem in the livestock sector alone is illustrated by the country's annual livestock population numbers of 4.5 million cows, 10 million hogs, 300 million broilers, 5 million turkeys, and 25 million layers.

Moreover, during the last two decades, Holland's livestock numbers have grown at an average annual rate of 4.2 percent. This growth is expected to con-

tinue, possibly at a slower pace, and there is a growing awareness that present and future expansion must be coordinated with measures for pollution control.

Along with growing animal numbers, the Netherlands has a human population density of close to 1,050 persons per square mile—one of the highest in the world. In 1973, population totaled some 13.4 million persons.

When waste from livestock production is considered along with that from livestock processing plants, however, the country reportedly has a volume of solid waste for disposal equivalent to that of a human population of 35 to 40 million.

Problems of solid waste disposal at the farm level are confined mainly to Dutch farms producing pork, veal, and broilers. These types of livestock have shown the most rapid pace of growth and produce stable manure at a faster rate than can be efficiently utilized on the available crop surface in the immediate vicinity.

As recently as 1967, waste cleaned from broiler and turkey houses was roughly valued at 0.1 cents per bird. Now, growers reportedly can only dispose of this litter by making it available to neighboring crop farmers free or by paying a fee to have it removed.

An increasing number of pork and veal producers face similar problems. The situation is most acute in the Provinces of North Brabant, Limburg, and Gelderland. But the problem is more one of distribution than of surplus.

TO COPE with the mountain of waste that is now created on Dutch farms in the main livestock areas, farm groups have set up manure banks in each of these three Provinces. These banks act as intermediaries between livestock producers with an oversupply of manure and farmers with a need for fertilizer.

The creation of more manure banks is being promoted by the Agricultural

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Under the Dutch manure bank system, privately contracted tank car, above, transports manure from livestock producers, who face a growing ecological problem of waste disposal, and applies it to cropland. Right, open pit storage system for liquid waste has polyethylene liner supplied by manure bank to receiver without charge. Regional storage facilities are also planned.

Development and Reorganization Fund with strong support from the Minister of Public Health and Environment. The manure banks are foundations; their operating costs are partly borne by the Government. Various agricultural organizations have members on the managing board of each bank.

Transportation of the manure is contracted with private firms that use specially designed tank cars and costs are normally paid by the receiver. Transportation costs in 1973-74 averaged about 6 guilders (\$2.40) per metric ton. If the manure must be hauled more than 5 miles, the recipient can qualify for a Government subsidy of 3 guilders per ton.

A major problem in the manure-bank concept is the imbalance between supply and demand. Although the supply of manure is rather constant throughout the year, demand is concentrated in the fall and the spring.

This problem is being solved by an open-pit storage system. Since manure receivers generally lack storage facilities, the manure banks have designed an open-pit manure storage system for



which they supply a seamless polyethylene liner without charge. Plans are also underway for the construction of regional storage facilities.

The consumer, as well as the livestock producer, is generally held accountable for the cost of maintaining a pleasant environment. On this basis, some Dutch officials recently made estimates of the costs to consumers of proposed measures for improving the environment. Other estimates were made of reductions in pork producers' incomes should the livestock sector bear

the total cost of these improvements.

In making these estimates, the four alternatives considered for disposing of solid waste were processing for discharge into surface water, disposal through the manure bank technique, drying of manure, and dumping it into the sea.

The manure bank concept was the least expensive of all measures considered. Net income of pork producers would decline 30 percent if no transfer of cost is made. On the other hand, retail prices would increase 3 percent if

the full cost were borne by the consumer. Highest cost was associated with drying techniques.

A consistent theme at meetings between livestock producers and Government officials is that efficient solutions for environmental problems will be found without seriously disrupting current progress.

Even so, any significant stiffening of pollution control guidelines is expected to hasten current trends toward larger and fewer livestock producers.

Livestock production practices in the Netherlands make the problem of waste disposal somewhat different from that in the United States. With the exception of dairy cattle and sheep, which are normally pastured when possible, Dutch livestock fattening is limited almost entirely to enclosed sheds or barns. Therefore, waste runoff problems are not comparable to those in the open feedlots of the United States. The flat and sandy soils throughout the Netherlands also tend to reduce the runoff pollution effect.

MOST DUTCH livestock fattening barns have an impermeable tank or cellar close by in which animal waste is stored as liquid manure. This means that odor is kept to a minimum. At various intervals, this waste is applied to fields with liquid manure spreaders. The number of spreaders is now close to 45,000, as compared with slightly over 10,000 in 1960.

Liquid sprayers account for most of this increase. The general practice is to spread early in the day when the air is moving up and to plow down quickly if the area is to be planted to a crop. Efforts are usually made to spread manure when the wind will blow the unpleasant odor away from neighbors.

The use of open oxidation pits or ditches to dispose of livestock waste has been all but eliminated. Termination dates have already been established for the small number (reportedly now at less than 30) of such operations that are major contributors to pollution.

In the Netherlands, statutory authority for environmental control is provided by the 1967 Nuisance Decree of the Crown and the 1970 Water Pollution Act. These authorize setting, monitoring, and enforcing standards; research; and technical and financial assistance.

Broad guidelines, established at the national level, apply only generally to livestock producers. They include sug-

Continued on page 20

New Plants Up India's Fertilizer Output

India's output of fertilizer during 1974-75 (April-March) is expected to reach 1.7 million tons—up from 1.34 million in 1973-74—largely as a result of increased production by new or enlarged factories. New facilities could push India's nitrogen fertilizer output in 1974-75 to 1.7 million tons, while phosphate production could rise to 400,000 tons.

- The large new factory at Goa, jointly operated by a U.S. firm, is expected to produce about 100,000 tons of nitrogen fertilizer during 1974-75.

- At Kandia, Gujarat, a new factory—built with U.S. investments and technical assistance—is slated to provide over 30,000 tons of urea to cooperatives in India this season.

- The privately operated plant near Baroda, Gujarat, is scheduled to produce about 200,000 tons of nitrogen fertilizer in 1974-75, making it India's largest producer.

- During 1974-75, the second largest fertilizer producer is likely to be the plant near Madras—built jointly by U.S. firms and the Governments of Iran and India—which produces ammonium phosphate and blended fertilizers, as well as urea.

- A factory near Kanpur operated by British private interests cooperating with India's Government produces over 300,000 tons of urea annually and is India's third largest facility.

- New factories operated by the Fertilizer Corporation of India, which will produce significant quantities of urea for the first time this year, include plants at Durgapur and Barauni. The Corporation's factory at Cochin was re-

cently enlarged substantially.

Total fertilizer use in India during 1974-75 is expected to be about 3 million tons, about 7.7 percent above the 2.8 million tons distributed in 1973-74. Although this will be about 1.4 million tons below the target, it will be important for farmers planting high-yielding varieties of cereals, sugar, and tobacco. Reportedly, over 60 percent of fertilizer is distributed during the rabi season (fall and winter). Increased use of fertilizer on wheat and sugar should improve yields next spring.

About 1.3 million tons of fertilizer used during 1974-75 is likely to be provided by imports or drawn from accumulated stocks. Some decline in stocks is likely. Fertilizer imports in 1974-75 could be about 1.2 million tons—down slightly from 1973-74.

Imports of fertilizer from the USSR, Eastern Europe, Kuwait, and Qatar increased considerably in 1974, although the United States was India's major supplier on a value basis. All of India's potash supplies are imported, mostly from Canada and East Germany. The United States is the major source of India's imports of ammonium phosphate and several other types of fertilizer.

Stocks of fertilizer accumulated during the mid-1960's allowed India to cope with recent fertilizer shortages, but dwindling stocks and rising prices for imported supplies have increased the need for expanding domestic output. A significant part of the gains in fertilizer use during 1969-70 to 1972-73 came from stocks accumulated in prior years.

—By JOHN B. PARKER, JR., ERS

INDIA: TOTAL FERTILIZER SUPPLY, USE, AND STOCK CHANGES
[In 1,000 nutrient tons]

Year ending March 31	Produc- tion	Imports	Supply	Use	Stock changes
1965-66	356.7	491.7	848.4	757.3	91.1
1966-67	454.7	847.1	1,301.8	1,203.0	98.8
1967-68	609.8	1,623.1	2,232.9	1,165.8	1,067.1
1968-69	776.2	1,036.1	1,812.3	1,674.6	137.7
1969-70	954.3	762.4	1,716.6	1,989.6	-273.0
1970-71	1,060.6	633.1	1,693.7	2,177.3	-483.6
1971-72	1,239.6	970.3	2,209.9	2,620.9	-411.0
1972-73	1,384.8	1,219.0	2,603.8	2,698.8	-95.0
1973-74 ¹	1,380.0	1,243.0	2,623.0	2,783.0	-160.0
1974-75 ²	1,685.0	1,210.0	2,895.0	2,975.0	-80.0

¹ Preliminary. ² Estimate. Source: Fertilizer Statistics 1972-73, published by Fertilizer Association of India, New Delhi, and Fertilizer News.

Taiwan Hog Raising—Boom Industry With a Few Problems

By SHELDON K. TSU
*Foreign Demand and
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Economic Research Service*

FEW AGRICULTURAL enterprises have been so fortunate in the Republic of China (Taiwan) as the hog industry, which has capitalized on fantastic economic growth at home and in its major export markets—Japan and Hong Kong—to become one of the country's leading agricultural producers and foreign exchange earners. In the process, its voracious demand for livestock feeds has sparked rapid gains in imports of U.S. grains and soybeans.

Today, however, Taiwan's hog producers are up against the same problems troubling their counterparts in other countries—lagging prices at a time of rising costs. And in Taiwan, the problem is exacerbated by Government price ceilings, which—if high costs continue—could permanently dampen the industry's expansion prospects.

Like other countries of the Far East, Taiwan traditionally has been a rice-centered economy, with starchy diets reflecting this. However, the country has counted pork as its most important meat, and virtually all farmers in the past raised hogs as a matter of course to supply their own meat needs.

Thus, hog producers were in a prime position to capitalize on surging demand for animal products when Taiwan began to experience the economic transformation that had already dramatically changed diets in nearby Japan.

The country's boom in GNP growth—most pronounced during the past decade as the per capita personal income climbed from \$186 in 1964 to \$470 in 1973—plus a yearly population growth of around 2 percent by themselves provided ample impetus for growth and modernization of the hog industry. But there were also developing foreign markets, with nearby Japan and Hong



Taiwan's modern farrowing houses provide optimum conditions for sows to give birth and nurse their litters. Heat lamp at left, for example, ensures constant temperatures and minimum loss of young.

Kong, traditional importers of Taiwan hogs, chronically short in pork products and eagerly buying more.

The result was a rapid transformation to modern hog enterprises—using improved crossbred hogs and scientifically formulated mixed feeds—and a hog population that by 1973 had reached almost 10 million head, compared with only 5.3 million head recorded 10 years earlier.

Today, Taiwan's largest hog farms—sponsored by the Taiwan Sugar Company (TSC)—raise an average of about 300,000 hogs annually, while medium-size ones have 50 or more hogs in the sty. At the same time, the hog industry has not lost its basic roots, since nearly half of Taiwan's farmers still raise hogs with an average of 20 head per unit.

As of 1973, net births stood at 5.7 million, compared with 2.6 million in 1964. A remarkable growth in efficiency had increased the average number of piglets born per sow per year from a low of 8.6 in 1958 to a high of 24.2 in 1971 and around 20 in 1973 (with two farrowings yearly). Mortality, in turn, had fallen to a low 2 percent.

Slaughtering facilities for the commercial industry as of early 1974 included 16 modern packing plants, al-

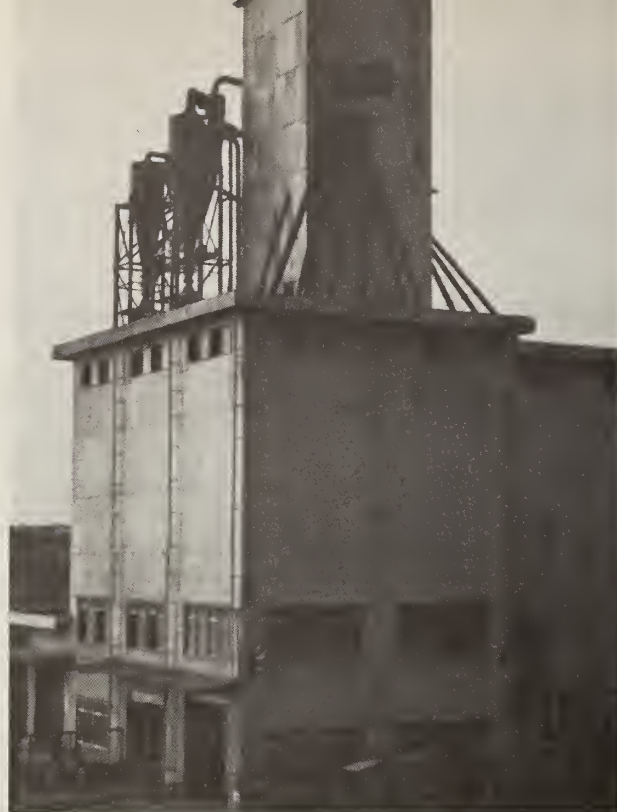
though many smaller plants or individuals were still using more traditional methods.

This modern industry has been supported by surging demand for Taiwanese pork, both on the domestic front and in the export market. Between 1964 and 1973, hogs slaughtered for domestic consumption alone soared by over 2 million head to satisfy a per capita consumption that zoomed from only about 4.5-6.5 pounds in 1945 to 45.9 in 1964 and 75 in 1973. Concurrently, exports surged from only about 8,000 head (live basis) in 1955 to around 84,000 in 1969 and more than 470,000 by 1973, with a radical shift also taking place in the makeup of that trade.

These developments boosted the value of hogs slaughtered for export and domestic consumption from \$116 million in 1964 to \$278 million in 1973. However, prices for live hogs were kept very stable—between 47 and 57 U.S. cents per kilogram—for the 1964-71 period. In 1972, the average price increased to the equivalent of 65 U.S. cents per kilogram.

From 1964 to 1967, virtually all the exports were as live animals, chiefly to Hong Kong. But from early 1968 onward, the situation reversed itself, with

Taiwan's feedmills, such as the one at right, not only manufacture mixed feed but also store rice, wheat, corn, and other feed ingredients. Hogs at slaughter weight, below, in a large feeding facility. Higher costs and price ceilings currently are dampening expansion.



exports of live animals dipping from 38 percent of the total to only 9.2 and 11 percent, respectively, in 1972 and 1973.

The change was largely the result of Japan's purchasing increasingly larger amounts of frozen pork from Taiwan following a satisfactory hog inspection tour in 1952.

Japan today takes 99 percent of Taiwan's frozen pork exports, which in 1973 were valued at nearly \$70 million and ranked next to sugar as the country's top farm export. On the other hand, 99 percent of its live hog shipments go to Hong Kong, which received some \$3.7 million worth in 1973.

Minor pork markets are the Netherlands and Portugal, while South Korea, the Philippines, the Ryuku Islands, and

Thailand account for the remaining hog shipments. In these hog markets, sales contracts are generally negotiated between governments to safeguard the supply and trade terms.

Some of this export production and trade is handled by Japanese firms, who have invested in Taiwan to capitalize on the potential in their home country and elsewhere in Asia.

Rapid growth in Taiwan's pork production began in 1952, when the TSC realized that byproducts from sugarcane processing could be used in large-scale hog-feeding operations.

This was followed in 1954 by establishment of a Farm Animal Breeding Station, with assistance from the provincial government in close collaboration

with the Joint Commission on Rural Reconstruction (JCRR).

Since then, all activities have been consolidated into an integrated program, whose major functions are to:

- Train technicians and hog producers in modern technical knowhow;
- Introduce new and superior breeds to improve quality and productivity;
- Conduct research in disease prevention, control, and treatment;
- Study and improve feed and management;
- Provide technical services to hog producers;
- Improve hog production and management;
- Study and improve the hog marketing and processing system;
- Support export of hogs and hog products.

One of the first steps in industry modernization was the development of improved hog breeds. This work began on a limited scale during the Japanese occupation and accelerated dramatically after 1949, when such superior breeds as Berkshire, Yorkshire, Large White, Landrace, Duroc, Minnesota No. 2, Pietrain, and Hampshire were introduced for crossbreeding purposes.

With these, three-breed-crossing and rotation-crossing systems were developed and practiced. One cross used Berkshire, Yorkshire, and Taoyuan (a local breed) to produce a leaner pork favored by consumers. Then, three pure breeds were used without the native strain to improve carcass quality. The resulting first and second generations were found to be excellent in carcass quality and reproduction.

Artificial insemination was extensively used in this work, as was disease control. Hog cholera, roundworms, and swine erysipelas—once serious problems—were practically wiped out. In addition, some local diseases were effectively treated and controlled.

Such efforts received assistance from a number of foreign and international organizations, including the University of Minnesota, Iowa State University, the U.S. Navy Medical Research Station, and the Food and Agriculture Organization of the United Nations.

Attesting to the program's success hybrid hogs now account for about 93 percent of the breeds used, while purebred and native strains each account for only 3 percent. Moreover, these hybrids have been shipped to other Asian coun-

tries such as Thailand, South Vietnam, South Korea, and Laos to help improve their breeds, while the Taiwan Government and various institutions have lent technical assistance to other countries seeking to improve their hog industries. Recipients of such assistance have included Ethiopia, South Vietnam, Cambodia, Thailand, Laos, and the Ryukus.

Also, over 4,000 foreign visitors from some 70 countries have had a firsthand look at Taiwan's hog program. With development of commercial hog production also came modernization of feeding methods, which in the past had consisted of feeding table scraps, some grains and vegetables, wild vegetation, or any other product that might be available.

FOLLOWING TESTS to analyze feed composition and develop a suitable formula, a dry powder form of mixed feed was developed in the 1950's. The feed improved the carcass quality and accelerated growth, and, because it did not need preparation, could be poured from sack to feed trough, greatly reducing cost, time, and labor. Its ingredients included corn, potatoes, rice and wheat bran, soybean meal and other oilseed meals, corn, grain sorghum, barley, fishmeal, and fish powder.

More recently, computer have been used to develop rations that give increased feeding efficiency.

By 1971, Taiwan's feed industry had

grown to include over 1,000 factories, producing sufficient feed to meet the hog expansion, although most were of small capacity and in need of more efficient equipment.

In addition, many farmers' associations today are equipped with facilities to produce feedstuffs based on improved formulas—efforts which are sometimes carried out jointly. They also are responsible for allocating supplies among members and for such services as packaging, processing, and distribution.

A side effect of these modern feeding methods—important also to the domestic poultry industry—has been accelerating demand for grains and other feed ingredients. So great has been that demand, in fact, that even though Taiwan has attempted to up domestic production, its percentage of self-sufficiency in feed ingredients plummeted from 80 percent 10 years ago to 5-10 percent in the last 5 years.

Soybeans, long popular in Taiwan as a food, are grown for this purpose as well as for their byproduct, soybean meal, which accounts for the high-protein portion of the raw feed material. However, their area and output have not reflected the need, and have even trended down slightly.

The byproduct of wheat, wheat bran, is also used in the manufacture of mixed feeds. But with this accounting for only about 1 percent of rations, demand has been largely influenced by

other factors—such as the shift from rice-based to wheat-based foods. Here again, area and output have not responded to needs, instead shrinking considerably within the last 5 years.

Corn producers have tried to boost production to satisfy soaring demand, but their efforts so far have been fruitless, and the level of self-sufficiency is steadily falling—on average it is less than 10 percent.

Barley is a raw feed ingredient that must be almost entirely imported, as local output is negligible.

The paucity of such materials at home has led to a tremendous import trade in corn, soybeans, barley, and wheat—as well as to stiff competition among suppliers. These include Thailand, the United States, South Africa, and Argentina for corn; the United States, Canada, and Australia for wheat; and the United States for virtually all the soybeans.

Import growth in each has been dramatic. Corn imports leaped from a mere 8,600 tons in 1964 to 1.26 million in 1973; soybeans from almost nothing to over 1 million tons; and wheat from a little over 300,000 to 650,000. Of these, the United States has been the major supplier.

In fact, these three products made up over 70 percent of the \$482 million of U.S. agricultural exports to Taiwan in fiscal 1974.

During the past 10 years, 1964-73,

TAIWAN: PRODUCTION AND IMPORTS OF SELECTED GRAINS
[In thousand metric tons]

Item	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
Corn:										
Production	42.1	41.1	51.6	64.1	51.5	44.8	57.4	56.8	70.5	84.0
Imports:										
U.S.	—	¹ 30.0	7.5	—	—	7.1	26.6	29.3	268.6	529.3
Other	8.6	26.3	57.3	133.6	361.0	381.3	575.1	524.9	1,051.3	729.6
Total supply	50.7	97.4	116.4	197.7	412.5	433.2	659.1	611.0	1,390.4	1,342.9
Soybeans:										
Production	57.6	65.7	63.3	75.2	73.0	67.1	65.2	61.0	60.2	62.0
Imports:										
U.S.	181.8	161.4	161.7	341.5	384.2	468.5	616.3	523.4	653.9	529.3
Other	—	—	2.8	9.6	.7	3.7	1.2	1.5	57.7	96.7
Total supply	239.4	227.1	227.8	417.4	457.9	539.3	682.7	585.9	771.8	688.0
Wheat:										
Production	19.7	23.5	28.5	23.9	17.1	10.0	3.7	2.3	1.5	1.0
Imports:										
U.S.	¹ 263.9	326.9	¹ 224.1	¹ 264.1	410.9	521.2	484.9	354.4	514.4	402.8
Other	37.0	49.7	62.1	31.9	37.9	184.6	118.2	162.2	218.8	148.1
Total supply	320.6	400.1	314.7	319.9	465.9	715.8	606.8	518.9	734.7	551.9

¹ Includes imports under Public Law 480. *The Trade of China*, Statistical Series, No. 1, Chinese Maritime Customs, 1964-73 issues, and *Taiwan Agricultural Yearbook*, Department of Agriculture and Forestry, Taiwan, 1973 edition, July 1973.

the United States has been Taiwan's principal supplier of soybeans, accounting for 70-90 percent of requirements in various years and averaging 81 percent for the 10-year period.

Corn imports from the United States have fluctuated widely from one year to the next, chiefly because of stiff competition from Thailand (which has a long-term trade agreement with Taiwan), South Africa, and lately Indonesia. However, the United States still has averaged 15 percent of the market in the last 10 years and has been getting much more than that recently: exports to Taiwan were over a half million tons, or 40 percent of the market in fiscal 1974, and will total another 1.3 million during the next 3 years under terms of a special agreement negotiated with private U.S. exporters.

LIKEWISE, imports of U.S. wheat have fared exceedingly well, although competition from other suppliers has been keen. As with soybeans, U.S. market share has ranged from 70 to nearly 90 percent and averaged 77 percent during the 10 years.

Current JCRR estimates indicate Taiwan will need more than 1 million tons of corn in 1976 and an equal amount of soybeans. These projections—already exceeded in 1972 and 1973 for corn—indicate that Taiwan will continue as a big market for imported feed ingredients. But growth may not be nearly as vigorous as in the past.

One reason for a possible slowdown is that the pork industry is having problems. Particular hardships have been caused by changes in some of the Government's heretofore liberal policies toward the hog industry and related trade.

These policies included substantial subsidies for imports of soybeans and wheat and ceiling prices on products made from these subsidized imports.

Also, in 1972 the Government lowered by 50 percent duties on a number of imported farm products and allocated US\$200 million in a special revolving fund for low-interest loans (5.5 percent) to finance imports of grains and oilseeds. This was followed by signing of an agreement in 1973 for imports of U.S. grains during 1973-75 amounting to 1.3 million tons of corn, 750,000 of barley, and 1.65 million of wheat.

More recently, however, the Government has become preoccupied with sav-

Continued on page 20

Textile Slump Hits Buyers Of U.S. Cotton In Far East

By DUDLEY G. WILLIAMS

Foreign Market Development, Cotton Foreign Agricultural Service

TEXTILE INDUSTRIES in Korea, Japan, Taiwan, Hong Kong, the Philippines, and Thailand—top markets for U.S. cotton—are now seriously affected by the worldwide slump in textile demand, according to a U.S. Cotton Processing Mission that recently returned from the Far East.¹

The mission was the first of its kind to visit the Far East since 1969. Its objective was to exchange technical ideas and to discuss questions regarding processing U.S. cotton specifically, and textile processing in general. The mission was organized at the request of mills in the countries visited and was sponsored by Cotton Council International in cooperation with USDA.

A total of 2.4 million bales of U.S. cotton is now on forward contract to these important textile-exporting countries, to be delivered during the current marketing year (August 1, 1974-July 31, 1975). During the 1974 season, which ended last July 31, the United States exported 3.3 million bales to the six countries—representing 58 percent of all U.S. raw cotton exports during this period.

While the long-term market outlook for U.S. cotton sales to the area is fairly optimistic, the current situation has plunged many mills throughout the Far East into severe financial difficulties, and most of the countries are curtailing their cotton yarn output by up to a third.

Adding to problems created by the deepening global textile recession are

¹ In addition to the author, who was team leader, the mission included Charles H. Chewning, Jr., David H. Black, and Wallace A. Blanton, Cotton Incorporated; Sidney L. Vail and Emery C. Kingsbery, Southern Regional Research Center, USDA.

tighter and expensive credit, speculative forward raw cotton purchases, overproduction of yarn, heavy and mounting yarn stocks, and recent overexpansion in facilities.

Nor is any immediate relief in sight. Industry circles feel that there is little hope for a turnaround in the present world textile situation before mid-1975. In the meantime, Far East mill owners will continue to face mounting financial pressures. For example, much of the U.S. cotton purchased on forward contract is now \$70-\$100 per bale above the current market price, so that in most countries the price received for 30-40-count yarns is below the price of the raw cotton going into production of these yarns.

Many of these countries are not even exporting their full quota of cotton textiles to the United States, an important export outlet for their yarn and textile production. While part of the slump in exports to the United States is due to quota classification problems, weaker demand in the U.S. market is also considered to be deterring sales.

Far East textile manufacturers also feel that the relatively high freight rates on U.S. raw cotton exports and textile imports, give U.S. manufacturers a competitive advantage in producing for this market. Across the board, the textile recession is generally less severe in countries that produce mainly for their own use, rather than depending largely on export markets.

As yarn inventories mount, Japan, Korea, Hong Kong, and Taiwan are talking in terms of production cutbacks of up to 30 percent. Thus far, however, production cutbacks in many mills have been largely offset by new equipment coming into operation.

While the problem is less acute in the Philippines and Thailand, stock build-ups are also occurring in these countries.

Through August 1974, the rate of mill consumption of cotton in the six countries remained close to last year's level. The rate was expected to drop during the remainder of 1974, as production curtailments increased. Some local sources predicted that as many as one-third of Taiwan's mills would be closed by the end of the year.

In Japan, earlier voluntary cutbacks, which called for a 20 percent reduction in yarn output, reportedly reached only 12 to 15 percent. In the face of in-



Members of the U.S. cotton processing mission, left, meet with the Executive Director of the Spinners and Weavers Association of Korea (SWAK). Below, team members discuss the Korean textile situation.



creasing pressure for mandatory controls, major spinners have agreed to further cutbacks. The spinners feel that declines in cotton imports and consumption will be much more pronounced in 1975 unless the textile market improves appreciably.

Production cutbacks are being realized through shorter hours—closing on Sundays and holidays—and in some cases fewer shifts. The problem is compounded by the fact that in strongly unionized countries, such as Japan, workers' wages remain the same despite the shorter hours, thus increasing the cost of production.

Korea is being forced to slow the rate of expansion in textile manufacturing facilities. Projected spindleage by the end of 1974 is now 1.7 million, rather than the 2.3 million earlier projected—a decrease of 25 percent. Cotton consumption will also decline in 1974, although more than 800,000 bales are already on forward contract. While the situation in other Far East countries is less acute, they too face real problems in both domestic and foreign markets in disposing of textiles.

Governments in some of these countries have instituted or are considering programs that would provide mills with some measure of relief. The Korean Government, for example, is purchasing 8,000 tons of cotton yarn from the industry. In Taiwan, the Government has initiated a program for established mills to borrow operating capital, using yarn inventories as collateral. The Bank of Thailand recently announced a loan

program to cover 50 percent of mill purchases of raw materials.

Prices of synthetic fibers have weakened from the height of the energy crisis, but they are still expensive compared with current cotton prices. Uncertainties concerning Arab oil production and pricing policies make it diffi-

cult to assess future cotton-synthetic relationships. However, Japan and most other Far Eastern textile-producing countries, which must import practically all petroleum requirements, are more sensitive to petroleum availabilities and pricing policies than countries such as the United States.

TAIWAN TEXTILE COSTS UP, COTTON IMPORTS CUT

Taiwan's textile industry continued to do booming business during the first half of the 1973-74 (August-July) marketing year, but due to deteriorating conditions near the end of the season optimism in the industry turned to pessimism. The new outlook was the result of rising costs for raw materials, energy, transportation, labor, and other production inputs; overexpansion of production capacity; and a sharp decline in the market price obtained for cotton yarns and fabrics.

Taiwan's raw cotton imports—at a record level in 1973-74—are expected to be lower in 1974-75, although the United States will probably continue to be a major supplier.

Much of the increase in raw cotton imports in 1973-74 resulted from orders to supply nearly one-half million new spindles that were expected to go into operation during the year.

Taiwan's cotton imports in 1973-74 are estimated to have totaled 895,000 bales (480 lb net), 235,000 bales above estimated raw cotton consumption.

The U.S. share of the Taiwan import

market reached 64 percent in the first 11 months of the 1973-74 season. Mexico was the second largest supplier during this period with about 9 percent of the market and Brazil was third with 7 percent.

Taiwan's cotton stocks at the end of 1973-74 are estimated to have reached a record high of 480,000 bales—equal to nearly 10 months' consumption requirements at present spinning rates. The size of these stocks may reduce cotton import requirement in 1974-75 to about 500,000 bales or less.

Raw cotton consumption in 1973-74 was estimated at 660,000 bales, 60,000 bales above the previous year. Consumption in the current year is forecast at 600,000 bales if spinners continue to operate at the present rate.

However, unless there is some improvement in market prospects over the next few months, consumption in the 1974-75 marketing year could be below the forecast level.

—Based on report from
Office of U.S. Agricultural Attaché
Taipei

Higher Retail Food Prices Noted In Survey of 15 World Capitals

RETAIL FOOD prices advanced during the 2-month period September 4-November 6 in 15 world capitals surveyed by USDA's Foreign Agricultural Service.

In the European countries, higher feed costs have pushed poultry, beef, and pork prices up.

In the United States, advancing grain prices have affected retail prices of many commodities.

During calendar 1974, food prices advanced the most in Brazil of the countries surveyed. The food price index for Brazil shows an increase of 41.9 percent. Beef, pork, cheese, butter, and bacon are among the items reflecting

the sharpest retail price rises.

In contrast, West Germany had the lowest rate of gain—only 3.8 percent. Sirloin steak, for example, sold at \$4.07 per pound in November 1973 and at \$4.09 in November 1974.

Bread, priced in Bonn at 40 cents per 1-pound loaf a year ago, was sold in November at 53 cents, reflecting the tighter world grain supplies. Dairy products showed moderate advances, but a recent increase in raw-product costs is expected to cause a rise in consumer prices of both milk and butter.

In the United States, the total food price index moved up by 11.2 percent during the past 12 months. This advance

was exceeded in seven of the countries surveyed. The more moderate U.S. trend may be attributed in part to the oversupply of meat.

In early November, U.S. cow beef supplies remained burdensome, exceeding demand by a considerable amount. U.S. pork trade was slow, and most cuts were under downward price pressures. Sharp increases were posted, however, for cheese, oranges, bread, onions, and bacon. Small gains were recorded for poultry and eggs.

Butter prices advanced in 12 of the capitals in the FAS survey. The sharpest gains were recorded in European countries, where butter stocks are substantially below those of a year ago. Butter prices declined only in Brasília, Canberra, and in Washington.

Cheese prices were higher in 13 cities, lower in Tokyo, and steady in Buenos Aires.

Rising food prices in London are partly tempered by Government subsidies on milk, butter, and cheese, but recent European Community price adjustments have not been offset by increases in United Kingdom dairy subsidies.

In the Netherlands, the Government authorized higher retail prices to permit wider margins for producers.

Higher prices for dairy products in Canada resulted from general inflationary pressures and a 1-cent-per-month phasing out of the 5-cents-per-quart milk subsidy that was introduced in September 1973.

Two major dairies in Tokyo posted

FOOD PRICE INDEX CHANGES IN SELECTED COUNTRIES

Country	Latest month	Index 1970=100	Percent change from		
			Prev. month	Three months	One year
United States	Sept.	143.6	+1.3	+2.9	+11.2
Canada	Oct.	151.0	+1.4	+3.2	+15.7
Japan	Sept.	165.0	+2.0	+7.7	+26.2
United Kingdom	Sept.	166.2	+1.3	+1.5	+17.3
Denmark	Sept.	151.0	+2.2	+4.6	+10.5
Germany	Oct.	123.8	+ .4	- .2	+ 3.8
Italy	Sept.	153.9	+3.6	+8.7	+21.6
Belgium	Oct.	126.3	+ .5	+ .2	+ 3.9
Netherlands	Sept.	130.6	+1.1	+2.5	+ 7.0
France	Sept.	144.1	+ .6	+ .7	+12.6
Brazil	Sept.	239.0	+1.7	+5.6	+41.9
Sweden	Sept.	133.2	- .5	+1.4	+ 5.0
Mexico	Sept.	167.9	+ .5	+2.9	+21.3

SURVEY OF RETAIL FOOD PRICES IN SELECTED CITIES, NOVEMBER 6, 1974
[In U.S. dollars per lb, converted at current exchange rates]

City	Steak, sirloin, boneless	Roast, chuck, boneless	Roast, pork, boneless	Pork chops	Ham, canned	Bacon, sliced, pkgd.	Broilers, whole	Eggs, dozen	Butter	Cheese: Edam, Gouda, or Cheddar	Milk, whole, quart
Bonn	4.09	2.42	3.52	2.13	2.16	3.34	0.72	1.12	1.39	1.58	0.36
Brasília	1.08	1.08	1.91	1.75	1.94	2.74	.67	.70	1.10	1.91	.23
Brussels	3.05	1.69	1.46	1.54	2.64	1.51	.91	1.00	1.43	1.84	.36
Buenos Aires ¹83	.42	.47	.43	(²)	1.20	.56	.75	1.25	1.48	.19
Canberra	1.30	.78	1.38	1.38	2.23	2.08	1.20	1.12	.87	1.42	.37
Copenhagen	4.14	1.76	2.53	2.30	2.68	2.28	.99	1.32	1.33	1.53	.35
London	2.44	1.17	1.22	1.60	1.36	2.02	.54	.91	.56	.92	.17
Mexico City	1.23	1.18	1.82	1.52	2.64	1.87	1.45	1.00	2.23	2.65	.30
Ottawa	1.51	1.31	1.71	1.50	1.85	1.29	.72	.87	.94	1.42	.50
Paris	2.47	1.41	1.86	1.61	2.24	2.92	.87	1.35	1.43	1.36	.29
Rome	2.80	2.10	1.54	1.82	(²)	1.53	1.03	.96	1.71	1.48	.35
Stockholm	3.85	1.83	3.26	2.13	2.66	2.47	1.27	1.21	1.23	1.75	.28
The Hague	3.22	2.10	2.49	1.80	4.16	2.93	.65	.99	1.24	1.45	.31
Tokyo	15.00	3.98	2.55	2.55	5.04	3.30	.90	.92	1.82	1.68	.62
Washington	1.79	1.22	2.06	1.79	1.60	1.56	.60	.81	.89	1.89	.46
Median	2.47	1.41	1.86	1.75	2.24	2.08	.87	.99	1.25	1.53	.35

¹ Government ceiling prices are listed for meat. ² Not available. ³ Not commonly used for cooking.

32 percent increases in butter prices, effective October 15, to offset higher production and transport costs.

Dairy prices also rose in Australia. Cheese was up by 9 cents per pound, but milk prices remained steady.

Cooking oil prices rose in Bonn, Brussels, London, Mexico City, Ottawa, Paris, The Hague, Tokyo, and Washington.

Bread prices were up in seven cities—Bonn, Brussels, Copenhagen, Paris, The Hague, Tokyo, and Washington, but shoppers paid less for their loaves in Brasília, Canberra, Ottawa, Rome, and Stockholm.

Lower fruit and vegetable prices in Brazil reflect increased availabilities because of seasonal change. Apple prices advanced sharply in Argentina as cold storage stocks declined, but large supplies of new-crop oranges resulted in a 57 percent price decrease.

In Brussels, tomato prices moved sharply higher, reflecting the availability of hothouse varieties only. October frosts caused extensive damage to vegetable crops.

Europe's apple crop also is less than expected, causing retail prices to rise. But Argentine oranges were available in Brussels at very low prices.

The food price indices of Mexico and Sweden have been added to the FAS survey, thus broadening the scope of the report on comparative prices and supplying additional data on the effects of inflation on consumer food budgets around the world.

Trinidad's New Processing Plant Is Target for U.S. Pork Exports

PORK EXPORTERS in the United States may have the supply edge—but perhaps in the short term only—as Trinidad expands its meat processing capabilities. A new processing plant that began operations recently gives Trinidad two meat processing plants producing canned and uncanned ham, hamburger, hotdogs, sausages, salami, bologna, bacon, and frankfurters.

The supply advantage held by American exporters is based primarily on the ready availability of U.S. frozen pork at competitive prices. Already an import agent acting on behalf of the two companies has placed a U.S. order for 480,000 pounds of pork products for processing. Of this order, 160,000 pounds will be repeated at 6-week intervals—at a projected annual rate of over 1.37 million pounds.

In the long term, however, the development of this new pork processing facility may be detrimental to U.S. pork exports. The Trinidad and Tobago market cannot utilize output of both plants working at full capacity. As a result, both enterprises are looking to other Caribbean Common Market Countries for sales; such exports may displace U.S. pork exports to these countries.

Import licenses for pork products formerly were granted when the importer could prove that similar products were not available locally. With the opening of the new factory, however, the Government imposed an import ban on these products, except frozen pork.

Both factories have assured the Government they will purchase as much local pork as possible, but the small size of the domestic hog industry severely limits pork availabilities.

However, the new processing facility and subsequent export developments in Trinidad may stimulate its swine industry to produce all the hogs needed by that country for process and export.

Currently the older factory—under Government control—is operating at only half of capacity, and even so there is only enough local pork available (after meeting the demand for fresh pork) to satisfy one-sixth of the quantity needed for processing. U.S. pork imports account for the remainder, with Canada being a secondary supplier.

While the import ban will adversely affect U.S. bacon, ham, and other processed exports, these losses could be offset by the gains in U.S. exports of frozen pork products needed by Trinidad to manufacture processed items locally.

In calendar 1971 Trinidad and Tobago imported 1.8 million pounds of frozen pork, valued at \$766,000, c.i.f., virtually all of which was processed into hams, bacon, and sausages. In terms of value, pork imports from the United States accounted for 94 percent of this purchase. During the same year imported hams, bacon, sausages, and other items, not frozen, were valued at \$363,821 of which the United States supplied \$24,468 or 6.7 percent.

By calendar 1973 imported frozen pork had fallen 42.5 percent to 1 million pounds, value at \$670,000, c.i.f., and the U.S. share, by value, was down to 72.5 percent. Meanwhile, imported hams, bacon, sausages, and other pork products, not frozen, had more than tripled to \$1.197 million.

The U.S. share of these products shot up to 28.5 percent, or \$339,993 in value, compared with 6.7 percent worth \$24,468 in calendar 1971.

Total imports of bacon by Trinidad and Tobago rose from 26,590 pounds in 1971 to 52,994 pounds in 1973. Ham imports increased from 168,614 pounds in 1971 to 1,977,432 pounds in 1973, while sausage imports rose slightly from 22,031 pounds in 1971 to 27,223 pounds in 1973.

Canned ham imports rose markedly, totaling 42,551 pounds in 1971 and 114,231 pounds in 1973, while canned bacon imports jumped from 1,200 pounds in 1971 to 13,221 pounds in 1973.

Imports of U.S. bacon by the two countries rose from an insignificant amount in 1971 to 2,397 pounds in 1973, while imports of U.S. hams soared from 140 pounds to nearly 1.75 million pounds 2 years later. Imports of U.S. sausages also were of minor importance in 1971, but rose to 3,667 pounds in 1973. Canned sausage imports from the United States rose by nearly 25,000 pounds in the 2-year period—from 51,300 pounds to 76,219 pounds.

	Onions, yellow	Apples	Oranges, dozen	Bread, white, pkgd.
.40	0.22	0.27	1.88	0.53
.19	.17	.31	.41	.42
.60	.12	.31	.66	.25
.40	.07	.21	.36	.26
.46	.26	.32	1.26	.35
.92	.38	.38	2.03	.50
.66	.19	.29	1.29	.34
.16	.14	.22	.50	.28
.50	.15	.27	.41	.32
.80	.18	.31	1.59	.62
.35	.14	.25	.68	.15
.76	.32	.49	2.05	.65
.52	.16	.17	.92	.20
.42	.19	.26	3.50	.47
.52	.27	.29	1.51	.43
.50	.18	.29	1.26	.35

Lebanon Is Fast-rising Market For U.S. Agricultural Exports

By MICHAEL E. KURTZIG
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AMONG THE COUNTRIES of the Middle East benefiting indirectly from new oil prosperity—and thereby increasing their food imports—is tiny Lebanon, a nation 4,000 square miles in area with a population of 3.2 million. Lebanon's growing importance as a market for U.S. farm products was confirmed in fiscal 1974, when the value of U.S. agricultural exports to the area more than doubled, rising to \$57 million from \$25 million in fiscal 1973.

Wheat and wheat flour led the list of imported U.S. farm products by a wide margin in fiscal 1974, as in previous years. Of Lebanon's total wheat imports of 340,000 tons, the United States supplied 86,000 tons, compared with 72,000 in fiscal 1973. Combined with the 45,000 tons of U.S. wheat flour imported in fiscal 1974, the value of these imports rose to \$24 million, compared with only \$6.6 million in fiscal 1973. During the past 5 years, Lebanon's imports of U.S. wheat and wheat flour have averaged \$8 million annually.

In the best of years, Lebanon's domestic production of wheat is adequate to meet only about 15 percent of its slowly increasing requirements—estimated at about 380,000 tons for fiscal 1975. Therefore Lebanon will undoubtedly continue to rely heavily on wheat imports to supplement its small and erratic production. In the past 3 years, the United States has furnished between one-quarter and one-third of import requirements.

The United States has also been a major supplier of corn to Lebanon, shipping an average of about 60,000 tons in each of the past 3 years. Imports of U.S. corn rose to 75,000 tons in fiscal 1974, for a value of \$8 million, compared with the average value of \$2.6 million between 1969 and 1973. Other major U.S. farm exports to Lebanon are soybeans, worth \$9.3 million in fiscal 1974; soybean oilcake and meal, \$4 million; and inedible tallow, \$9.5 million.

Rising Lebanese standards of living are creating market opportunities for other U.S. farm products, including poultry (mainly turkey), long-grain rice, and beef and other livestock products. Although wheat import needs may decline slightly in the coming year as a result of a better 1974 crop, the value of U.S. agricultural exports to Lebanon should continue to rise and a more diverse array of products could be shipped.

Lebanon is a major trading center for the Near Eastern countries, and much commercial activity takes place through the ports of Beirut and Tripoli. Consequently, a substantial quantity of agricultural commodities is transshipped through Lebanon to neighboring Arab countries. In addition, some Lebanese imports are reexported to other countries in the Mideast. Reportedly, about 15 percent of reexports are of agricultural products.

Although Lebanon is not an oil-producing country, capital investment from other Middle East countries with vastly improved financial positions is expected to stimulate the country's economic growth. Lebanon's economy is based largely on trade, tourism, and finance, so that the regional boom triggered by petroleum exports will enhance Lebanon's prosperity. In 1972, Lebanon's gross national product totaled \$2.1 billion, with the agricultural sector contributing \$260 million.

By sharing in the new prosperity, Lebanon's economy could experience a return to the high growth rates of earlier years. Lebanon's real economic growth averaged over 6 percent annually in the decade that ended in 1966. By the end of 1966, however, growth had slowed to the present average of about 3 percent annually. This was due to a number of monetary and political crises including Intra-Bank problems, the 1967 Middle East War, military clashes along the Lebanon-Israeli border, and conflicts with Palestinian guerrillas.

Lebanon's agricultural output was stalled last year not only by poor weather but also by political disturbances that led to the closing of the Syrian-Lebanese border. Agricultural exports to markets in the Middle East were virtually halted. Other industries were similarly affected, tourism was severely set back, and a labor shortage developed in the construction industry, which is heavily dependent on Syrian immigrants.

The growth of Lebanon's agricultural sector has been relatively "flat" in recent years, compared with other parts of the economy, notably housing and commerce, which have moved ahead impressively. As a result, the importance of agriculture to the value of the gross domestic product (GDP) has steadily declined. The agricultural sector, including livestock and fisheries, contributed an average of 9.8 percent to the GDP between 1966 and 1970, and 7.9 percent in 1971.

BUT THE influx of investment funds from Middle East oil-exporting countries could provide new impetus to Lebanon's agricultural development. Lebanon's 6-year development plan, initiated in 1972, calls for a 4-5 percent annual growth rate in agriculture, mainly through expanding and diversifying farm production.

Much emphasis is also being given to irrigation, since lack of water is considered to be a major constraint on output. The country's Green Plan, which provides for land reclamation and rural road construction, is now being oriented toward constructing greenhouses and training farmers in greenhouse practices.

Crop production accounts for about two-thirds of the total value of Lebanon's agricultural production, and livestock and products—particularly the important poultry industry—contribute a third of the value. Lebanon's farm economy is heavily dominated by horticulture. Fruit accounts for an overwhelming 59 percent of all crop production, while vegetables comprise about 23 percent of crop output.

Lebanon's major grain crop is wheat. This season, wheat output rebounded from last year's drought-reduced production to reach an estimated 70,000 tons—a record level although still below the hoped-for amount. Earlier estimates had optimistically called for a harvest of 79,000 tons.

Lebanese production of wheat, and to some extent other crops, is subject to extremely wide year-to-year swings, owing largely to weather fluctuations. Average wheat production over the past decade has been 51,000 tons annually, ranging from a high of 70,000 tons in 1967 to a low of only 30,000 last year.

Lebanon is also a producer of sugarbeets, apples, and citrus. Sugarbeet production has increased steadily in the past 10 years, rising from 45,000 tons in 1964 to 170,000 in 1973. Lebanon produced 311,000 tons of citrus in 1973, of which two-thirds were oranges and tangerines.

Lebanon's flourishing poultry industry produced an alltime record of over 19,000 tons of poultry meat, dressed weight, in 1973, of which 72.3 percent was from broilers and the remainder from hens culled from the laying flock. In spite of this general upswing, the industry suffered a setback last year, owing first to higher feed costs and second, to the disruption of traditional shipping lanes for egg exports.

The poultry industry is also an important supplier of table eggs, hatching eggs, and day-old chicks to other countries in the Middle East. Exports of hatching eggs, which totaled 2 million in 1973 primarily because of increased purchases by Iran, could advance by a sizable 11 percent in 1974. But table egg exports at 238 million in 1973 were down 15 percent from those of the previous year, while day-old chick exports declined by a third—curtailed by the border closing. Leading markets for table eggs and day-old chicks are other Arab countries, particularly Saudi Arabia, Kuwait, and Syria.

Lebanon's dairy industry is small and anticipates little growth as long as inadequate forage and high feed costs depress producer profits. Further, the availability of cheaper, imported dairy products, with the exception of fluid milk, has discouraged significant investment in the industry.

Consumption of dairy products in Lebanon continues to expand slowly, however, reflecting improved incomes and living standards, as well as expanding urbanization.

The future of Lebanon's dairy industry will hinge largely on Government funding of programs to encourage imports of improved dairy stock. Thus far, however, a clear Government policy to provide support to the industry has not been forthcoming.

Livestock products from the United States are continuing to find a ready market in Lebanon. Purchases of poultry, beef, veal, and nonfat dried milk and cream from the United States amounted to \$707,000 in 1973, rising

to \$836,000 in fiscal 1974. Lebanon should continue to offer an attractive market for dairy products, particularly dry milk, cheese, and butter. Lebanese importers will handle products from any part of the world, provided they can be marketed profitably.

In a given year, Lebanon's exports of agricultural products vary considerably in relation to production. For 1974, the export outlook is somewhat mixed. Traditional exports—such as apples, citrus, hides and skins, and wool—are expected to increase, but shipments of tobacco could be below previous levels due to a drawdown in stocks. Egg exports could also be down somewhat, responding to higher domestic consumption.

Lebanese farm exports to the United States amounted to \$8.8 million in fiscal 1974, compared with \$8 million the previous fiscal year. Tobacco accounted for most of the trade, totaling \$7.2 million, compared with \$5.2 million in fiscal 1973.



Women pick cucumbers grown on irrigated land in Lebanon, left. Irrigation is receiving renewed emphasis under the current agricultural development plan, since lack of water is said to be a main constraint on farm output. Broiler chickens on a commercial poultry farm, Beka, below left, contributed to Lebanon's alltime high output of poultrymeat last year. Below, flock of goats graze rocky ground in Lebanon, a traditional exporter of hides and skins.



Independence May Change Trade Patterns in Angola, Mozambique

By HERBERT H. STEINER

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IMMINENT CHANGES in the 400-year relationship between Portugal and its two largest African Overseas Provinces—Angola and Mozambique—will bring the Provinces independence in the near future and change their trading relationships with Portugal. Commercial ties between the European country and these Provinces have been weakened by removal of restrictions that gave Portugal first call on their cotton, corn, palm product, sugar, and tobacco exports.

The relationship between Mozambique and Portugal was further devitalized in July 1974, when Mozambique's importers were authorized to buy goods at the best financial terms, regardless of country of origin. This ended Portugal's monopoly on certain imports, notably wine.

Although independence is guaranteed for these two countries—and for other Portuguese African Provinces as well—the transition may be a stormy one. European estate managers and farmers were harassed by guerrillas in Mozambique, for example, and many of the agriculturalists fled to nearby towns for safety, while some of them left the country.

For the most part, however, peace has now returned to Mozambique, where the army has taken temporary control.

Both Angola and Mozambique supply tropical products to the United States, but neither is a major market for U.S. agricultural commodities.

The United States exported \$25.9 million worth of goods to Angola in 1972, of which \$2.7 million consisted of farm products—wheat, unmanufactured tobacco, and miscellaneous food preparations. The following year, the export total was \$38 million, with \$3 million falling in the agricultural category—milled rice, food preparations, dried milk, and unmanufactured tobacco. U.S. imports from Angola in 1972 totaled \$89.6 million, of which \$69.6 million were agricultural. A year

later, the total was \$166.3 million, with farm products accounting for \$103.6 million of the total—almost all coffee.

U.S. exports to Mozambique in 1972 were only \$3.9 million, with \$291,000 coming from the farm sector, mainly food preparations. In 1973, they dropped to \$3.2 million, with farm exports totaling \$343,000, mostly food preparations. In 1972 and 1973, U.S. imports from Mozambique were \$25.5 million and \$33.8 million, respectively. Farm product imports from Mozambique during these 2 years were \$20.4 million and \$28.4 million, respectively, mostly nuts, tea, and some tobacco.

However, because of the growing importance of Angola's petroleum exports and Mozambique's extensive development of irrigation and hydroelectric power, the future may see further changes in the production and import-export patterns of both countries. Separated by about a third of Africa's width, Angola and Mozambique generally raise the same food crops, but export different commodities.

Angola's farm production and trade. Principal Angolan exports in 1972, in order of importance, were coffee, petroleum, diamonds, iron ore, and fishmeal. Although petroleum from the offshore wells near the exclave of Cabinda, north of the Congó River, is of increasing importance and may now outrank coffee in value, exports of coffee for the first 11 months of 1973 were still in the lead—\$177 million for coffee versus \$150 million for petroleum. In 1972, coffee accounted for 73 percent of the value of all agricultural exports.

Despite the drop in overall production, Angola has consistently produced more coffee than could be profitably sold on the world market. To discourage excessive production, new coffee plantings were prohibited except for farmers planting less than 1,000 trees. Diversification into other crops was also encouraged.

In the past the Angola Coffee Insti-

tute had hoped to use the world's sellers' market to increase Angola's share of world coffee sales by drawing down large existing stocks and increasing output to the 230,000-245,000-ton range within 5 years. Dry weather during the early months of 1974 did little harm to the crop and production is at a record level this year.

Angola's coffee exports for the 1972-73 crop year (Apr. 1-Mar. 31) were 193,000 tons, of which a little over half went to the United States. European Community countries were next in importance.

Angola's fourth most important agriculture-related export in 1972—although technically a fishery product—was fishmeal. The cold Benguela Current, flowing north along Angola's coast, was the source of the country's fishmeal, for here are to be found many varieties of sea life, some in great quantities.

In 1972, exports of 120,000 tons of fishmeal—valued at \$19.7 million—brought in more foreign exchange than any other agricultural commodity except coffee. During the first 7 months of 1973, the value of fishmeal exports reached \$18.6 million.

After coffee, the most valuable agricultural exports in 1972 were cotton, sisal, corn, and bananas. Cotton production increased from less than 40,000 bales (480 lb net) prior to 1967-68 to some 150,000 bales last season as more commercial farmers planted cotton. Previously cotton had been almost entirely a small-farm crop and all of it was shipped to Portugal.

THE 1972 DROUGHT cut both production and exports that year by about half, but both cotton output and exports recovered in 1973. The requirement that Angolan cotton be exported to Portugal for manufacture by the textile industry there was abolished in 1973.

Sisal was Angola's No. 2 export crop until the early 1960's, when dropping world prices encouraged a switch to other products. In 1971 and 1972, subsidies saved the industry from further decline.

Principal markets in 1972 for Angolan sisal were Portugal, Spain, and some EC countries.

Corn is the main staple food in a large part of Angola. Most of it is produced in the central zone, mainly in the Huambo-Bie area. Exports, principally to Portugal and to the other Portuguese Provinces, have ranged from a high of



180,000 tons in 1970 to a low of 77,000 tons in 1972.

Angola's 1973 tobacco crop of 5,870 tons was up 19 percent over that of 1972, largely because of a bonus paid to producers. A similar increase is expected in 1974, again because of the producer bonus.

A large part of Angola's 1973 tobacco outturn consisted of Virginia-type tobacco with some burley and African dark types. Exports of unmanufactured tobacco totaled 6,844 tons, mainly to Portugal and the United Kingdom.

Palm oil and palm kernel oil (exported as kernels), from palms of the *Dura* type in northern Angola and Cabinda are Angola's most important oil-bearing crops. Both are exported to Portugal.

This African country also exports small quantities of beef, mutton, and pork to Portugal. The Angolan livestock herd was estimated in 1972 at 4 million cattle, 2 million sheep, 1.3 million hogs, and 360,000 goats.

Cassava, rice, plantains, beans, millet, sorghum, sweetpotatoes, white potatoes, and peanuts are all food crops of importance in Angola. Cassava is the staple food for the African population in the north, but it is also fairly common in the West-Central highlands and in southwestern Angola.

Beans and peanuts are the principal sources of protein in the diet of Africans. Some Angolan beans are exported to Portugal and Zaire. Millet and sorghum are the staple foods in the arid parts of southern Angola and are also used for homemade beer.

Angola's agricultural imports in 1972 consisted largely of wheat and wheat flour, dairy products, wine, and olive oil for consumption by the urban population. Wheat imports have averaged



Above, grain elevator at the Angolan port of Lobito; a copra shed at Vila Pery, Mozambique, left; and a coffee grading facility in Luanda, Angola, below. Both countries are slated to gain their independence from Portugal soon and great changes may take place in their trading patterns.





A Mozambique woman making cassava flour, an important food item.

around 80,000 tons annually in recent years; the United States has been an occasional supplier.

In 1973, Angola bought \$121,000 worth of U.S. tobacco and \$1.7 million worth of rice. Angola imports small amounts of U.S. tobacco in most years.

Mozambique's farm production and trade. Construction of a 500-foot-high dam at Cabora Bassa on the Zambezi River will produce 18 megawatts of electricity annually by 1980, more than the output of any other African dam. This will provide power for new industries and irrigation water for 3.7 million acres of farmland. Although the country's current Five-Year Plan (1974-79) stresses industrial development—up to now these activities have been limited to the processing of agricultural raw materials and the manufacture of some consumer goods—agriculture remains the country's chief economic activity. In 1973, for example, agriculture commodities—valued at \$169 million—accounted for 78 percent of Mozambique's total exports.

MOZAMBIQUE'S MOST important export is cashew nuts, gathered from trees that grow wild in the lowlands along the coast, chiefly in the Mozambique, Inhambane, Gaza, and Lourenço Marques Provinces. Cultivated cashews accounted for only about 16 percent of production in 1968, but the percentage is growing.

Before 1965, almost the entire cashew crop was exported to India where the nuts were shelled and reexported as kernels. By 1973, however, exports to India

had dropped and only 29,000 tons of a total crop of 216,000 tons were exported to that country for shelling. Mozambique exported 9,600 tons of kernels—equivalent to 135,000 tons of nuts—in competition with India.

The United States was the major buyer of Mozambique's cashew kernels in 1973—18,500 tons valued at \$25.4 million. The United States is also the principal market for cashew shell liquid, a natural phenol extracted from cashew shells and used in the manufacture of paints, plastics, and brake linings.

Mozambique's export earnings in 1973 from cashew nuts, cashew kernels, and cashew liquid totaled \$50 million. The United States accounted for 53 percent of this.

All districts of Mozambique, except Lourenço Marques, are significant cotton producers, but the major cotton producing areas lie north of the Zambezi River in Mozambique, Cabo Delgado, and Zambezi Provinces.

Before 1960, the Government required thousands of farmers in the rural areas to plant cotton. Growing this fiber is no longer compulsory, but cotton still provides a cash crop for almost 300,000 small producers with average plots of less than 2.5 acres each.

However, the percentage of cotton being grown commercially is advancing. By 1973, over half the crop came from commercial farms. Most of it is hand-picked and 80-85 percent is classified of first quality.

Mozambique reported about 160,000 bales of cotton in 1972, 90 percent to Portugal. In 1973, cotton exports increased to 229,000 bales, but Portugal's share had dropped to about 70 percent. The requirement that Mozambique's cotton had to be shipped to Portugal was relaxed in 1972 and abolished in 1973, causing the decrease. More of the cotton crop is now being used by the domestic textile industry.

Cane sugar is another of Mozambique's important export crops. In 1973, sugar production was dominated by five companies. The largest, Sena River Estates, located near the mouth of the Zambezi River near Beira, produced about 150,000 tons. Four other mills produced the 158,000 tons making up the rest of the outturn.

Sugar exports in 1972—almost all to Portugal and Portuguese territories—totaled 179,000 tons, valued at more than \$21 million. Mozambique formerly

sold its sugar to Portugal at less than world prices, but now that it can sell to any country, sales will be at the world-market price level.

Mozambique produced about 19,000 tons of a standard-quality, Indian-type black tea in 1973. Production of this tea, from plantations in the highlands near Junqueiro in north Zambezi Province has shown a steady increase. In 1973, 17,545 tons—valued at \$9 million—were exported. The United Kingdom received over half of this. U.S. tea imports from Mozambique were valued at \$2.1 million in 1973.

COCONUT PALMS that line miles of Mozambique's beaches are the source of most of its copra. Three plantations account for half the commercial crop that totaled 60,000 tons in 1973. Exports in 1973 were 48,000 tons, mainly to Portugal, Spain, Italy, France, and Israel.

Sisal exports increased to 21,000 tons, valued at \$6.5 million in 1973, most of them going to the European Community, Spain, Ireland, and Japan. One firm, CICOMA, processed about 25 percent of Mozambique's sisal production into baler twine for export to the United States, Canada, and West Germany. In 1973, the United States imported almost \$900,000 worth of Mozambique baler twine.

Exports of tobacco, mainly to Portugal, declined slightly in 1973, due to a drop in production. Mozambique exported 2,777 tons of unmanufactured tobacco in 1972—largely flue-cured.

Citrus exports to Western Europe have increased in recent years, but the 21,000 tons exported in 1973 showed no changes from 1972, although their value increased to \$1.6 million.

Mozambique's agricultural imports, valued at roughly \$30 million in 1972, were only 9 percent of total imports. Principal commodities imported were wine, wheat, olive oil, and potatoes.

While wheat is not an important factor in the overall diet of Mozambicans, it is a staple in the diet of the urban population, particularly those transplanted from Europe. Wheat imports have been increasing, and in 1973 reached 111,000 tons. South Africa has replaced Australia as the principal supplier. The most recent year, Mozambique imported U.S. wheat was in 1971.

Demand for wheat this year is estimated at 130,000 tons.

CROPS AND MARKETS

GRAINS, FEEDS, PULSES, AND SEEDS

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Nov. 26	Change from	
		previous week	A year ago
	Dol. per bu.	Cents per bu.	Dol. per bu.
Wheat:			
Canadian No. 1 CWRS-13.5.	6.32	-10	5.65
USSR SKS-14	(¹)	(¹)	(¹)
Australian FAQ ²	(¹)	(¹)	(¹)
U.S. No. 2 Dark Northern			
Spring:			
14 percent	6.23	-14	5.52
15 percent	6.44	-12	(¹)
U.S. No. 2 Hard Winter:			
13.5 percent	5.99	-19	5.43
No. 3 Hard Amber Durum..	8.08	-8	8.30
Argentine	(¹)	(¹)	(¹)
U.S. No. 2 Soft Red Winter.	(¹)	(¹)	(¹)
Feedgrains:			
U.S. No. 3 Yellow corn	4.04	-14	3.35
Argentine Plate corn	4.47	-4	3.53
U.S. No. 2 sorghum	4.17	-14	3.44
Argentine-Granifero			
sorghum	4.28	-11	3.40
U.S. No. 3 Feed barley ...	3.85	-5	2.84
Soybeans:			
U.S. No. 2 Yellow	7.90	-57	6.94
EC import levies:			
Wheat	0	0	0
Corn	0	0	0
Sorghum	0	0	0

¹ Not quoted. ² Basis c.i.f. Tilbury, England.

NOTE: Price basis 30- to 60-day delivery.

EC Increases Feed Wheat Usage

Increased use of European Community wheat in feed mixes is indicated during December 1974-April 1975 because forward corn prices are now above wheat prices for those months. Recent Rotterdam sales show U.S. No. 3 yellow corn (for delivery January-March) selling at a price of \$1.50 per metric ton above that for EC wheat. Feed compounders have increased their percentage of wheat purchases, compared with those of corn during January-April.

PRC Contracts for Grain Imports

The People's Republic of China (PRC) currently has firm contracts for the shipmer of about 5.1 million metric tons of wheat and 420,000 tons of corn in 1974-75. Total grain imports, however, will depend on the magnitude and delivery schedule of purchases to be made under 3-year agreements with Canada, Australia, and Argentina.

Currently, wheat imports are expected to total 5.5-6

million, and corn imports, 600,000-700,000 metric tons.

U.S. wheat exports to the PRC of about 1.75 million metric tons are indicated for 1974-75, based on shipments and outstanding sales as of November 3. Grain imports by the PRC in 1973-74 included 5.7 million metric tons of wheat and 2.1 million of corn, with the United States supplying 3.2 million metric tons of wheat and 1.8 million of corn.

Spain Ups Grain Support Prices

Support prices for domestically produced cereal grains and feed pulses in Spain have been adjusted upward for the 1975-76 marketing year. Foodgrains will benefit from increases ranging from 18-35 percent above 1974-75 prices, depending on class and grade. Support prices for feedgrains will go up 6-15 percent, and for feed pulses, 10 percent. Storage and financing premiums also will go into effect to encourage maximum cooperation from farmers.

Although the support prices for 1975-76 represent substantial improvements over those for 1974-75, they appear to be below levels quoted in the demands of farmer groups. As a result of the price adjustments, feed pulse acreage could increase if soybean prices escalate as they did in 1973 and 1974. However, significant expansion in cereal grain acreage in 1975-76 does not seem likely at this time.

Thai Rice Crop Estimated

The Thai rice crop now appears to have recovered from the early summer drought, and the combined production from the monsoon and off-season crops is expected to total 14.5 million metric tons (paddy), compared with 14.35 million tons in 1973-74.

The Thais, faced with declining world prices, have lowered premiums and initiated free trade to increase the export of old crop rice, which had been restricted for domestic political reasons. It is estimated that calendar 1974 exports probably will not exceed 1.1 million tons (milled). Export availabilities of 1.6 million tons (including 0.4 million old crop) are indicated for calendar 1975, but actual exports of no more than 1.3 million tons are expected.

SUGAR AND TROPICAL PRODUCTS

EC Sets Sugar Policy

The European Community Council of Agricultural Ministers, meeting in Luxembourg on October 21-22, agreed to two parts of a proposed sugar policy. New EC sugar production quotas were set, and an import subsidization scheme for 200,000 metric tons of sugar was approved.

New base "A" quotas were set for the next 5 years, 1975-76 through 1979-80, at 9,136,000 metric tons of refined sugar, compared with the previous quota of 7,820,000 tons. Production within the base "A" quota receives the full price, while the price for "B" quota is reduced substantially. The

"B" quotas were fixed at 45 percent of the base quotas for 1975-76 and will be reviewed annually. The total of "A" and "B" quotas is 13,247,200 metric tons. If production quotas are realized, the EC should be able to offset imports from developing countries by at least an equivalent quantity of exports.

Ecuador's Abaca Output Up

Abaca production in Ecuador continues to increase, with 1974 output of raw fiber estimated at 7,800 metric tons from 14,600 acres. This compares with 4,640 tons from 8,950 acres in 1973. Based on projected plantings of 40,000 acres in 1974, of which 21,500 acres are expected to be in production, abaca output in 1975 is forecast at around 12,000 tons.

All Ecuadorean abaca is machine-cleaned. Five companies in Ecuador export raw fiber, while only one company presently is a consumer of fiber for processing into yarn and rope.

Raw abaca exports totaled 3,980 tons in 1973, and through September 1974 were 5,406 tons plus small quantities of processed abaca. Destinations in 1973 included the United States, 3,375 tons; Japan, 312; England, 275; and Peru, 18 tons. Exports for the first 9 months of 1974 again went mainly to the United States, which took 85 percent of the total volume.

FATS, OILS, AND OILSEEDS

Brazil Ends Registration Of Soybean Meal Exports

Trade sources reported on November 6 that Brazil has suspended further soybean meal export registration pending assessment of the supply situation. The action followed an apparent depletion of domestic soybean meal supplies.

Brazilian soybean meal exports are forecast at 1.8 million metric tons in calendar 1974, compared with 1.58 million tons in 1973. The indicated 14 percent increase in meal exports is sharply below the reported 40 percent increase in 1974 Brazilian soybean production, which totaled 7 million metric tons. Domestic meal requirements are forecast to increase by only one-sixth to 760,000 metric tons, and as a result Brazil's 1974 soybean export availabilities will increase sharply from the 1973 volume of 1.79 million tons, and may approach 3 million tons.

Major Markets Import Oilseed, Meal

Aggregate imports of oilseeds and meals into 9 major markets (Japan, West Germany, France, the Netherlands, Spain, Italy, the United Kingdom, Denmark, and Sweden), according to the most recent import data available since January, amounted to 11.5 million metric tons (soybean meal equivalent), 978,000 tons below imports for the same months last year. Most of the decline reflects reduced imports by Japan, West Germany, and the United Kingdom. The indicated 8 percent decline is above the 6 percent decline indicated last month, but less than the 11 percent decline indicated earlier.

Imports of soybeans and meal into the same 9 countries during the same months of 1974 rose to 8.5 million tons (meal basis), 275,000 tons above those for the corresponding 1973 period. The sharpest import gains were to Spain, the Netherlands, and France. The indicated 3.3 percent increase

in imports of soybeans and meal is less than the 6 percent increase indicated last month, but above the slight decline previously indicated.

U.S. soybean meal prices in Europe during early November were quoted at \$192 per metric ton—14 percent less than the level on the same date a year ago. However, grain prices are up significantly from last year's. The relatively low prices for meal, compared with prices for feedgrains, should stimulate high protein meal feeding rates, although poor livestock and poultry producer profit margins continue to adversely influence aggregate livestock and poultry expansion.

FRUIT, NUTS, AND VEGETABLES

Canada Has Larger Cherry Pack

Canada reports larger 1974 production of canned and frozen cherries. The 1974 canned pack totaled 445,400 cases of sweet cherries and 101,500 cases of RSP cherries. Comparable 1973 packs were 357,800 and 56,400 cases, respectively. The current pack of frozen cherries totaled 8.4 million pounds, 42 percent above the 1973 pack of 4.9 million.

Canadian exports of canned cherries totaled 239,100 cases, basis 24 pounds, during calendar 1973. The United Kingdom and West Germany were the major export markets.

Weather Hurts Irish Hops Crop

Plagued by cold, wet weather during the growing season, the 1974 Irish hops crop is estimated at 150,000 pounds, about 10 percent below the 1973 harvest of 166,000 pounds. Area planted to hops increased to 146 acres, compared to 141 acres in 1973. Hops imports during calendar 1973 amounted to 3.5 million pounds, compared with 2.7 million in 1972. The United States was the principal supplier, followed by the United Kingdom and West Germany.

Portugal's Dried Fig Crop Down

Extremely dry, hot summer weather in the Algarve region reduced the 1974 Portuguese dried fig crop. Production is estimated at 4,500 metric tons, 43 percent below the 1973 crop of 7,000 metric tons. Sizes are reported small and quality is lower.

Total 1973-74 season exports of figs and fig paste are estimated at 2,600 metric tons, a level above that of 1972-73, but below average. The United States is the largest market for fig paste.

Austrian Citrus Imports Down

Austria's 1973-74 (November-October) imports of fresh citrus have been estimated at 124,000 metric tons (oranges, 70,000; tangerines, 26,000; lemons, 22,000; grapefruit, 6,000), down 7 percent compared to 1972-73 season imports of 133,797 metric tons (oranges, 79,684; tangerines, 26,597; lemons, 22,364 and grapefruit, 5,152). The 12 percent decline in orange imports is attributed to the comparatively heavy domestic crops of apples and pears, reduced availability of citrus from Mediterranean countries, and increasing use of single-strength orange juice in preference to squeezing of fresh oranges. Grapefruit imports may again increase in 1974-75, but the outlook for imports of other fresh citrus is for little or no change.

Austria's imports of single-strength citrus juices increased

to an estimated 9,200 metric tons in 1973-74, up 18 percent from imports of 7,920 metric tons in 1972-73. Imports of citrus concentrates, estimated at 800 metric tons, were down 30 percent. Growing consumer demand for Vitamin C is believed responsible for greater consumption of single-strength juice, while the impact of a moist and cold summer and reduced tourist travel probably were responsible for reduced use of concentrates by beverage manufacturers and institutional users. Israel had an estimated 28 percent share of the citrus juice market in 1973-74, and the United States about 15 percent. Because of consumer interest in Vitamin C, Austria should continue to import an increasing quantity of citrus juice in 1974-75.

Taiwan's Canned Mushroom Output Down

Rising production costs and sluggish export sales have caused the Taiwan Provincial Government to set the 1974-75 production target for canned mushrooms at 3 million cases (or 117 million lbs at 39 lbs per case net wt.), compared to the previous year's target of 3.6 million cases or 140.4 million pounds.

Planted area for the current year is estimated around 1.7 million ping, or roughly 61.2 million square feet. This area represents the lowest planted to mushrooms in 10 years. During the last decade Taiwan has not cultivated less than 72 million square feet per year. The raw mushroom crop is forecast at about 125.7 million pounds.

Argentine Deciduous Fruit in Surplus

With a record 1974 crop of apples and quinces and a sizable pear crop, Argentine producers have estimated that 3-3.5 million boxes of fruit (apples and pears) will not be absorbed by either local or export markets. Argentina's recent authorization purchase of 1 million boxes of apples falls short of the industry's request for the purchase of 3 million boxes of apples and pears.

Previous Governmental assistance to the deciduous fruit industry has been limited to an extension of the term for paying Provincial taxes and a 25 percent rebate on export. For the first 7 months of 1974, deciduous fruit exports were 233 percent higher than those for the comparable 1973 period. Last year's exports were below normal as a result of the frost- and hail-damaged crop.

France Has Larger Dried Prune Crop

Current reports indicate the 1974 French dried prune crop is larger than the original forecast. Production now is forecast at a record 22,000 metric tons, 5 percent above total output for 1973.

Sugar content was higher than expected and the 1974 drying ratio was about 3:1, compared with 3.6:1 in 1973. Sizes were smaller, but quality was good.

Italy's Peach, Pear Outturns Reported

Italy reports a larger 1974 pack of canned peaches, but a smaller canned pear pack. Weather was favorable in the major peach area in southern Italy. Persistent rain and low temperatures were reported during April and May in the northern region of Emilia, where most pear canneries are located. Clingstone peach production is increasing in the Emilia region but is still minor. The 1974 canned peach pack is estimated at 1.3 million cases, (basis 24/2½) and the canned

pear pack at 2.4 million cases. Production during 1973 totaled 1.1 cases of peaches and 2.9 million cases of pears.

Exports of both canned peaches and pears dropped during the 1973-74 season. Peach exports fell 29 percent to 400,000 cases, and pear exports, at 1.7 million cases, were down 26 percent. West Germany is the largest market for both items.

DAIRY AND POULTRY

World Poultry Conference To Be Held Spring, 1975

The Poultry and Egg Institute of America will sponsor its 46th Fact Finding Conference on April 30, May 1 and 2, 1975, at the Rivergate Exposition Center in New Orleans, La. This annual conference will feature workshops, programs, and exhibits for people in the poultry and egg business throughout the world—producers, hatcherymen, processors, feed manufacturers, and retailers of poultry and eggs.

Further details may be obtained by writing the Poultry and Egg Institute of America, 29 East Madison Street, Chicago, Illinois, 60602, USA.

New Zealand Dairy Output Down

Total milk fat processed during the first 4 months of New Zealand's 1974-75 dairy marketing year (June-May) is down about 4.6 percent, compared to that for the same period a year earlier. Milk fat processed during June-September 1974 totaled 43,900 metric tons. The decline in milk fat output in New Zealand has resulted from the slow recovery of dairy herds following feed conditions of the previous seasons, as well as one of the wettest springs on record. New Zealand butter production during the first 4 months of the dairy marketing year totaled 43,042 metric tons, representing a 2.5 percent decline. Cheese output totaled 10,235 metric tons—down 42 percent from that for the same period a year earlier.

Canada's Egg Agency Investigated

A select Canadian committee, the Special Commons Egg Inquiry, is investigating the Canadian Egg Marketing Agency (CEMA) to determine why the agency destroyed 28 million eggs it had bought as surplus, leaving them to rot in improper storage.

In testimony before the Inquiry, various consumer and social groups have questioned the organization of CEMA and its monopoly power to control supplies, prices, and surpluses of eggs.

Other Foreign Agriculture Publications

- Deciduous Fruit, World Production and Trade Statistics (FDAP 1-74)
- World Milk Production for 1974 Up Nearly 2 Percent (FD 5-74)
- The Danish Poultry Meat Industry (FAS M-260)
- Sales Aids for Food Exporters

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FOREIGN AGRICULTURE

TAIWAN HOG RAISING—BOOM WITH PROBLEMS

Continued from page 8

ing valuable foreign exchange to finance increasingly expensive imports of petroleum and petroleum-based products. These high-costs imports have threatened the country's heretofore favorable trade balance, while inflation has prompted the Government to place price ceilings on a number of products important to domestic consumption, including hogs.

Moreover, the generous subsidies on imports of soybeans and wheat have been substantially reduced, leading to

inflated feed costs at a time when other expenses also are rising. In fact, some farmers claim that the current Government-controlled selling prices of live hogs are not enough even to cover feed costs and other expenses.

Thus, the hog industry now appears at a crossroads, where production will either have to be curtailed—with the number of hogs possibly even declining—or meat prices and feed costs will have to be adjusted to provide incentives for future growth.

DUTCH FARMERS FACE ECOLOGICAL CHALLENGE

Continued from page 4

gestions for handling and disposing of livestock waste, suggested distance to be maintained between livestock barns and urban areas, schools, churches, or recreation areas, and guidelines for design and construction of livestock barns, sheds, and waste storage facilities.

As yet, no standards are imposed on the number of animal units that can be maintained on a given unit of land or floor space. However, general guidelines established by the Advisory Service of

the Ministry of Agriculture are being followed by an increasing number of livestock producers. However, the authority for setting and enforcing standards is usually left to municipalities.

Lately, however, with tremendous growth of the livestock sector and the growing closeness of city and farm, new procedures are being proposed to fill the need for faster decision making and to ensure that uniform standards are applied.

U.S. Meat Imports Down First 9 Months of 1974

U.S. imports of red meat for the first 9 months of calendar 1974 were 1,227 million pounds—down 13 percent from those of a year earlier. Included in this total are fresh, chilled, and frozen beef, veal, mutton, and goat meat subject to the Meat Import Law; canned and preserved meats; and “other fresh, chilled, or frozen” meats. Total imports for September were 129 million pounds—down 18 percent from those of a year earlier.

Imports of meat subject to the Law totaled 92 million pounds in September—down 17 percent from those of a year earlier. Total imports of meat subject to the Law for the first 9 months of calendar 1974 were 808 million pounds—down 16 percent from the corresponding 1973 period. Principal suppliers continue to be Australia, with 365 million pounds, and New Zealand, with 207 million.

In addition to meat imported subject to the Law, 366 million pounds of canned and preserved meat were imported into the United States during the first 9 months of calendar 1974—down 2 percent from the corresponding 1973 period.